

The Honorable John C. Coughenour

UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

UNITED STATES OF AMERICA,
Plaintiff,

v.

NORTHWEST PHYSICIANS
LABORATORIES, LLC,
Defendant.

NO. CR 19-228JCC

PLEA AGREEMENT

The United States of America, by and through Tessa M. Gorman, Attorney for the United States for the Western District of Washington, Acting Under Authority Conferred by 28 U.S.C. § 515, and Brian Werner and Michael Dion, Assistant United States Attorneys, Defendant NORTHWEST PHYSICIANS LABORATORIES, LLC, and its attorney, S. Amanda Marshall, enter into the following Agreement, pursuant to Federal Rule of Criminal Procedure 11(c)(1)(B):

1. **The Charge.** Defendant, having been advised of the right to have this matter tried before a jury, agrees to waive that right and enters a plea of guilty to the following charge contained in the Indictment:

1 a. Conspiracy to Solicit and Receive Kickbacks Involving Federal
2 Health Care Programs, as charged in Count 1, in violation of Title 18, United States
3 Code, Section 371, and Title 42, United States Code, Section 1320a-7b(b)(1)(B).

4
5 By entering this plea of guilty, Defendant hereby waives all objections to the form
6 of the charging document. Defendant further understands that before entering its guilty
7 plea, Defendant and/or its duly authorized representative will be placed under oath. Any
8 statement given by Defendant under oath may be used by the United States in a
9 prosecution for perjury or false statement.

10 2. **Elements of the Offense.** The elements of the offense to which Defendant
11 is pleading guilty are as follows:

12 a. The elements of Conspiracy to Solicit and Receive Kickbacks
13 Involving Federal Health Care Programs, as charged in Count 1, are as follows:

14 i. First, there was an agreement between two or more persons to
15 commit the crime of Solicitation and Receipt of Kickbacks Involving Federal Health Care
16 Programs,

17 ii. Second, Defendant became a member of the conspiracy
18 knowing of at least one of its objects and intending to help accomplish it, and

19 iii. Third, at least one member of the conspiracy performed an
20 overt act for the purpose of carrying out the conspiracy.

21 b. The elements of Solicitation and Receipt of Kickbacks Involving
22 Federal Health Care Programs, in violation of Title 42, United States Code, Section
23 1320a-7b(b)(1)(B) are as follows:
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1 i. First, Defendant knowingly and willfully solicited or received
2 a payment;

3 ii. Second, such payment was solicited or received primarily in
4 order to induce the ordering, or arranging for the ordering of, any service;

5 iii. Third, the services ordered or arranged to be ordered were
6 covered in whole or in part under Medicare or TRICARE; and

7 iv. Fourth, Medicare or TRICARE was a federal health care
8 program.

9 Defendant acknowledges that under established principles of corporate liability
10 and respondeat superior, as these principles apply in the instant case, corporate
11 defendants are liable for the actions of their employees, agents, and servants under
12 circumstances where the employees, agents, and servants are acting within the scope of
13 their agency and their actions are intended, at least in part, to benefit the corporate
14 defendant. *See, e.g. United States v. Beusch*, 596 F.2d 871 (9th Cir. 1979); *United States*
15 *v. Powder Puff Co.*, 163 F.2d 1008 (7th Cir. 1947); and *New York Central and Hudson*
16 *River R.R. v. United States*, 212 U.S. 481, 495 (1909).

17 3. **The Penalties.** Defendant understands that the statutory penalties
18 applicable to the offense to which Defendant is pleading guilty are as follows:

19 a. For the offense of Conspiracy to Solicit and Receive Kickbacks
20 Involving Federal Health Care Programs, as charged in Count 1: a fine of up to
21 \$500,000, or twice the gross gain or loss resulting from the unlawful conduct pursuant to
22 Title 18, United States Code, Section 3571(d); a period of probation of up to five (5)
23 years; and a mandatory special assessment of \$400. Defendant agrees that the special
24 assessment shall be paid at or before the time of sentencing.

25 Defendant understands that as a part of any sentence, in addition to any fine that is
26 imposed, the Court may order Defendant to pay restitution to any victim of the offense,
27 as required by law.
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1 Defendant further understands that the consequences of pleading guilty may
2 include the forfeiture of certain property, either as a part of the sentence imposed by the
3 Court, or as a result of civil judicial or administrative process.

4 Defendant agrees that any monetary penalty the Court imposes, including the
5 special assessment, fine, costs, or restitution, is due and payable immediately and further
6 agrees to submit a completed Financial Statement of Debtor form as requested by the
7 United States Attorney's Office.

8 **4. Rights Waived by Pleading Guilty.** Defendant understands that by
9 pleading guilty, Defendant knowingly and voluntarily waives the following rights:

- 10 a. The right to plead not guilty and to persist in a plea of not guilty;
- 11 b. The right to a speedy and public trial before a jury of its peers;
- 12 c. The right to the effective assistance of counsel at trial;
- 13 d. The right to be presumed innocent until guilt has been established
14 beyond a reasonable doubt at trial;
- 15 e. The right to confront and cross-examine witnesses against Defendant
16 at trial;
- 17 f. The right to compel or subpoena witnesses to appear on Defendant's
18 behalf at trial;
- 19 g. The right to testify or to remain silent at trial, at which trial such
20 silence could not be used against Defendant; and
- 21 h. The right to appeal a finding of guilt or any pretrial rulings.

22 **5. Ultimate Sentence.** Defendant acknowledges that no one has promised or
23 guaranteed what sentence the Court will impose.

24 **6. Corporate Authorization.** The Defendant agrees that this Plea Agreement
25 will be executed by a person authorized by law and by Northwest Physicians
26 Laboratories, LLC, to enter into this agreement and to plead guilty on behalf of the
27 Defendant. The authorized person shall be a corporate officer with sufficient authority to
28 bind the corporation in all matters. On or before the date of entry and filing of this

1 Agreement, Defendant shall provide the U.S. Attorney's Office and the Court with an
2 original written statement evidencing the fact that Defendant corporation is authorized to
3 enter into and comply with all the provisions of this Plea Agreement; that a representative
4 of Defendant has been authorized to enter a guilty plea and attend the sentencing hearing
5 on behalf of Defendant; and that Defendant and its authorized representative have
6 observed all required corporate formalities for such authorizations. The authorization
7 shall also specifically state that the identified individual has the authority to bind
8 assignees, parent corporations, subsidiaries, affiliates, successors-in-interest, and
9 transferees of the Defendant.

10 7. **Statement of Facts.** The parties agree on the following facts. Defendant
11 admits it is guilty of the charged offense:

12 a. **Company Background.** Defendant Northwest Physicians
13 Laboratories LLC ("NWPL") is a toxicology laboratory located in Bellevue, Washington.
14 NWPL was founded in 2012. NWPL was partially owned by physicians who purchased
15 between one and eleven shares of the NWPL business. Many of these physician-
16 shareholders directed their patients to submit urine specimens to NWPL for toxicology
17 testing.

18 b. Urine toxicology testing is often ordered for patients that are being
19 seen by a physician for pain management and prescribed opioids or similar medications.
20 These patients may be directed to submit urine specimens for toxicology testing in order
21 to monitor the levels of pain medication or other narcotics in their bodies. These urine
22 specimens are usually sent to an outside laboratory that runs a particular panel of tests
23 based on the physicians' orders. Testing laboratories typically bill the patients'
24 commercial insurance, or bill a Federal health care program, or the patient himself or
25 herself, for performing urine toxicology testing. Urine toxicology testing is a covered
26 service under the Federal health care programs Medicare and TRICARE, as well as most
27 private commercial insurance, so long as the testing is reasonable and medically
28 necessary.

c. NWPL received urine specimens for toxicology testing from its
physician-shareholders. Federal law restricted the physician-shareholders of NWPL from
referring urine specimens from patients with Federal insurance to NWPL for testing.
Accordingly, NWPL did not test urine specimens from patients with Federal insurance
like Medicare or TRICARE.

1 d. **Company Employees.** Jae Y. Lee was the CEO and part owner of
 2 Defendant NWPL and one of the founders of NWPL. Lee negotiated contracts with other
 3 laboratories as described below. Rick Reid was also a part-owner, a founder, and served
 4 as Sales Lead of NWPL. Reid recruited physicians to join NWPL and managed many
 5 physician relationships on behalf of NWPL. Kevin Puls was the Executive Director of
 6 NWPL. Puls supervised the NWPL sales force and assisted Lee in the negotiation of
 7 contracts. At all relevant times, Lee, Reid, and Puls were authorized agents of NWPL.

8 e. **Conspiracy to Solicit Kickbacks.** Despite the fact that NWPL did
 9 not test urine specimens from patients with Federal insurance, NWPL employees,
 10 including Reid, directed NWPL's physician-shareholders to send such Federally-insured
 11 urine specimens to NWPL. Once the urine specimens were sent to NWPL, it was NWPL
 12 employees who controlled where these urine specimens would be tested and arranged for
 13 these urine specimens to be tested at other laboratories, namely Sterling Reference
 14 Laboratories ("Sterling") and Molecular Testing Labs ("MTL"). This testing would
 15 generate significant revenue for those laboratories (which billed Medicare and TRICARE
 16 for the cost of the testing).

17 f. NWPL and Sterling entered into four "Administrative Service
 18 Agreements" ("ASAs") between the time period of January 2013 and February 2015.
 19 Lee signed all four agreements on behalf of NWPL. As written, the ASAs required
 20 Sterling to make monthly payments to NWPL in return for marketing and other services.
 21 The amount of the monthly payments varied from \$34,579 to more than \$260,000 a
 22 month. The ASAs stated that the amount of the payment was determined by the value of
 23 the services provided by NWPL. The primary service that NWPL was supposed to
 24 provide in return for these payments was to employ sales representatives to market
 25 Sterling to physicians and encourage physicians to use Sterling to test their samples. For
 26 example, the ASAs specifically provided that multiple NWPL salespeople would market
 27 Sterling to physicians.

28 g. In truth, the payments by Sterling to NWPL were not based on
 services provided by NWPL, but rather on the volume of Federally-insured samples that
 NWPL provided to Sterling for testing. Prior to the execution of the first ASA with
 Sterling – when NWPL was providing Sterling with Federally-insured samples in return
 for no compensation – Reid stated that NWPL was leaving money on the table by not
 receiving payment for the samples. Despite the signed agreements, NWPL employees
 did not provide the marketing services to Sterling that it had committed to provide under
 the ASAs. Not a single salesperson FTE¹ was ever dedicated to marketing Sterling.

¹ "FTE," or "Full-time Equivalent," represents the hours worked by one employee on a full-time basis. The concept may also be used to convert the hours worked by several part-time employees into the hours worked by full-time employees.

1 NWPL's salesforce was never told to market Sterling, and did not in fact market Sterling.
2 NWPL actually attempted to conceal Sterling's identity from physicians: a set of
3 Guidelines issued by NWPL in 2013 (signed by Lee and Reid) included instructions to
4 not mention Sterling to NWPL's physician-owners, but rather to refer to Sterling only as
a "local lab."

5 h. In total, from January 2013 to August 2015, Defendant NWPL (by
6 and through its officers and employees) solicited and received over \$3.4 in kickback
7 payments from Sterling, in exchange for providing Sterling with more than 19,000
8 Federally-insured urine specimens for testing. Sterling submitted claims for payment for
this testing to Federal health care programs including Medicare and TRICARE and
Sterling received more than \$7.6 million for these submissions.

9 i. On behalf of Defendant NWPL, Lee also arranged for NWPL to
10 enter into a kickback agreement disguised as an ASA with MTL. In September 2014,
11 NWPL and MTL entered into an ASA, similar to the Sterling ASAs: MTL agreed to pay
12 \$99,959 a month to NWPL in return for services, primarily marketing. NWPL did not
13 provide the marketing services to MTL, and there was never any intention for MTL to
14 provide the marketing services. Rather, the payment amount was based on an agreement
between Lee and Steven Verschoor that NWPL employees would provide 1000
Federally-insured samples to MTL per month.

15 j. However, NWPL employees only provided MTL with 500 samples
16 per month, and accordingly Lee agreed that – in disregard of the purported terms of the
17 ASA – MTL only paid NWPL \$50,000 per month. Eventually, in April 2015, Lee and
18 Puls prepared a new version of the NWPL-MTL ASA, back-dated to October 1, 2014.
19 This new version attached a new list of services that were allegedly provided by NWPL
20 to MTL. The new version changed the monthly service fee to \$50,000, which matched
21 the actual payments made by MTL. As Lee and Puls knew and intended, the revision of
the ASA concealed the fact that payments were based on volume of federally-insured
samples, rather than services provided by NWPL.

22 k. In total, from October 2014 to July 2015, NWPL (by and through its
23 officers and employees) solicited and received \$450,000 in kickback payments from
24 MTL, in exchange for providing MTL with more than 1,000 Federally-insured urine
25 specimens for testing. Specifically, on February 6, 2015, NWPL received a \$50,000
26 payment from MTL. In total, during this time period, MTL submitted claims for
payment for this testing and MTL received \$461,752.10 for these submissions.

27 l. With respect to the conduct described above, Defendant NWPL,
28 through its officers and employees, knowingly and willfully solicited and received
payments from Sterling and MTL in return for arranging for Federally-insured samples to

1 be provided to Sterling and MTL. Its officers and employees, including CEO Jae Y. Lee,
 2 knew that these actions were unlawful, as he was aware that it was illegal for NWPL to
 3 provide Sterling and MTL with Federally-insured samples in return for kickbacks, and he
 4 was aware that the ASAs were disguised kickback arrangements. Lee agreed with others
 5 to accomplish the common goal of soliciting and receiving kickbacks for the Federally-
 6 insured samples.

7 m. The conduct described above took place in the Western District of
 8 Washington.

9 8. **United States Sentencing Guidelines.** Defendant understands and
 10 acknowledges that the Court must consider the sentencing range calculated under the
 11 United States Sentencing Guidelines and possible departures under the Sentencing
 12 Guidelines together with the other factors set forth in Title 18, United States Code,
 13 Section 3553(a), including: (1) the nature and circumstances of the offense; (2) the
 14 history and characteristics of the defendant; (3) the need for the sentence to reflect the
 15 seriousness of the offense, to promote respect for the law, and to provide just punishment
 16 for the offense; (4) the need for the sentence to afford adequate deterrence to criminal
 17 conduct; (5) the need for the sentence to protect the public from further crimes of the
 18 defendant; (6) the need to provide the defendant with educational and vocational training,
 19 medical care, or other correctional treatment in the most effective manner; (7) the kinds
 20 of sentences available; (8) the need to provide restitution to victims; and (9) the need to
 21 avoid unwarranted sentence disparity among defendants involved in similar conduct who
 22 have similar records. Accordingly, Defendant understands and acknowledges that:

23 a. The Court will determine Defendant's applicable Sentencing
 24 Guidelines range at the time of sentencing;

25 b. After consideration of the Sentencing Guidelines and the factors in
 26 18 U.S.C. 3553(a), the Court may impose any sentence authorized by law, up to the
 27 maximum term authorized by law;

28 c. The Court is not bound by any recommendation regarding the
 sentence to be imposed, or by any calculation or estimation of the Sentencing Guidelines

1 range offered by the parties or the United States Probation Department, or by any
 2 stipulations or agreements between the parties in this Plea Agreement; and

3 d. Defendant may not withdraw its guilty plea solely because of the
 4 sentence imposed by the Court.

5 **9. Restitution.**

6 a. **Restitution – Sterling.** For claims submitted by Sterling, Defendant
 7 shall make restitution to Medicare in the amount of \$7,172,869, and to TRICARE in the
 8 amount of \$479,796.34, with credit for any amounts already paid. The parties agree that
 9 Defendant's \$7,652,665.34 restitution obligation shall be reduced by any amounts that
 10 Cordant Health Solutions f/k/a Sterling Healthcare Services ("Sterling") pays pursuant to
 11 the Settlement Agreement with an effective date of July 17, 2020, between Sterling and
 12 the United States. The parties also agree that Defendant's \$7,652,665.34 restitution
 13 obligation is joint and several with other restitution obligations imposed in this
 14 proceeding.

15 b. **Restitution – MTL.** For claims submitted by MTL, Defendant shall
 16 make restitution to Medicare in the amount \$420,272.84, and to TRICARE in the amount
 17 of \$41,479.26, with credit for any amounts already paid. The parties agree that
 18 Defendant's \$461,752.10 restitution obligation shall be reduced by any amounts that
 19 Blackfly Investments, LLC, dba Molecular Testing Labs ("MTL") pays pursuant to the
 20 Settlement Agreement with an effective date of December 10, 2018, between MTL and
 21 the United States. The parties also agree that Defendant's \$461,752.10 restitution
 22 obligation is joint and several with the restitution obligation in *United States v. Steven*
 23 *Verschoor*, CR 19-208JLR, as well as with other restitution obligations imposed in this
 24 proceeding.
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1 c. The total amount of restitution due from Defendant is \$8,114,417.44
2 as follows: the total amount due to Medicare is \$7,593,141.84 and the total amount due to
3 TRICARE is \$521,275.60.

4 d. The full amount of restitution shall be due and payable immediately
5 on entry of judgment and shall be paid as quickly as possible. If the Court finds that the
6 Defendant is unable to make immediate restitution in full and sets a payment schedule as
7 contemplated in 18 U.S.C. § 3664(f), Defendant agrees that the Court's schedule
8 represents a minimum payment obligation and does not preclude the U.S. Attorney's
9 Office from pursuing any other means by which to satisfy the Defendant's full and
10 immediately-enforceable financial obligation, including, but not limited to, by pursuing
11 assets that come to light only after the District Court finds that the defendant is unable to
12 make immediate restitution.

13 e. Defendant agrees to disclose, upon request by the Government, all
14 assets in which Defendant has any interest or over which Defendant exercises control,
15 directly or indirectly, including those held by a spouse, nominee, or third party.
16 Defendant agrees to cooperate fully with the United States' investigation identifying all
17 property in which Defendant has an interest and with the United States' lawful efforts to
18 enforce prompt payment of the financial obligations to be imposed in connection with
19 this prosecution. Defendant's cooperation obligations are: (1) upon request by the
20 Government, before sentencing, and no more than 30 days after executing this Plea
21 Agreement, truthfully and completely executing a Financial Disclosure Statement
22 provided by the United States Attorney's Office and signed under penalty of perjury
23 regarding Defendant's and Defendant's spouse's financial circumstances and producing
24 supporting documentation, including tax returns, as requested; (2) providing updates with
25 any material changes in circumstances, as described in 18 U.S.C. § 3664(k), within
26 seven days of the event giving rise to the changed circumstances; (3) authorizing the
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United States Attorney's Office to obtain Defendant's credit report before sentencing; (4) providing waivers, consents or releases requested by the U.S. Attorney's Office to access records to verify the financial information; (5) authorizing the U.S. Attorney's Office to inspect and copy all financial documents and information held by the U.S. Probation Office; (6) submitting to an interview regarding Defendant's Financial Statement and supporting documents before sentencing (if requested by the United States Attorney's Office), and fully and truthfully answering questions during such interview; and (7) notifying the United States Attorney's Office before transferring any interest in property owned directly or indirectly by Defendant, including any interest held or owned in any other name, including all forms of business entities and trusts.

f. The parties acknowledge that voluntary payment of restitution prior to the adjudication of guilt is a factor the Court considers in determining whether Defendant qualifies for acceptance of responsibility pursuant to USSG § 3E1.1(a).

g. If Defendant makes any payment of the restitution amount either in connection with any civil case arising from the same conduct described in Paragraph 6, or in this criminal case prior to sentencing, the payment will be applied as a credit against the restitution amount ordered.

10. **Other Agreements.**

a. **Agreement Regarding Bankruptcy and/or Other Dissolution.** NWPL is no longer an active business. NWPL agrees that, within six months of the date of sentencing in this matter, it will dissolve, either by filing for liquidation bankruptcy, or by otherwise dissolving its corporate operations.

b. **Recommendation as to Compliance Program.** In light of Defendant's agreement to pay full restitution in this matter, and in light of its agreement to dissolve, the parties agree that a term of probation and a compliance program are not

1 appropriate in this case. Defendant agrees that, in the event that Defendant does not file
2 for bankruptcy or otherwise dissolve, it will agree to a corporate compliance program as
3 suggested by the United States Attorney's Office and as imposed by the Court.
4 Defendant further agrees that this obligation shall continue even after the sentencing in
5 this case, and that the United States shall be entitled to enforce this commitment outside
6 this criminal proceeding.

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8 **11. Non-Prosecution of Additional Offenses.** As part of this Plea Agreement,
9 the United States Attorney's Office for the Western District of Washington agrees not to
10 prosecute Defendant for any additional offenses known to it as of the time of this
11 Agreement that are based upon evidence in its possession at this time, and that arise out
12 of the conduct giving rise to this investigation, and moves to dismiss the remaining
13 counts in the Indictment at the time of sentencing. In this regard, Defendant recognizes
14 the United States has agreed not to prosecute all of the criminal charges the evidence
15 establishes were committed by Defendant solely because of the promises made by
16 Defendant in this Agreement. Defendant agrees, however, that for purposes of preparing
17 the Presentence Report, the United States Attorney's Office will provide the United
18 States Probation Office with evidence of all conduct committed by Defendant.

19 This Agreement does not close or preclude the investigation or prosecution of any
20 natural persons, including any employees, officers, directors, employees, agents or
21 consultants of the Defendant for any conduct whatsoever, including the conduct for
22 which Defendant is pleading guilty.

23 **12. Breach, Waiver, and Post-Plea Conduct.** Defendant agrees that if
24 Defendant breaches this Plea Agreement, the United States may withdraw from this Plea
25 Agreement and Defendant may be prosecuted for all offenses for which the United States
26 has evidence. Defendant agrees not to oppose any steps taken by the United States to
27 nullify this Plea Agreement, including the filing of a motion to withdraw from the Plea
28 Agreement. Defendant also agrees that if Defendant is in breach of this Plea Agreement,

1 Defendant has waived any objection to the re-institution of any charges in the Indictment
2 that were previously dismissed or any additional charges that had not been prosecuted.

3 13. **Rule 410 Waiver.** The Defendant agrees that by signing this agreement it
4 is admitting to the facts in the Statement of Facts portion of this agreement. The
5 Defendant further agrees that if it withdraws its guilty plea prior to sentencing, or at any
6 time after the Court accepts the plea agreement and sentences it consistent with its terms,
7 the Defendant agrees the facts that it admits in the Statement of Facts portion of this
8 agreement shall be admitted as stipulations in any trial or sentencing that may follow in
9 this case, as well as in any other legal proceeding involving Defendant. The foregoing
10 provision acts as a modification, and express waiver, of Federal Rule of Evidence 410
11 and Federal Rule of Criminal Procedure 11.

12 14. **Waiver of Appellate Rights and Rights to Collateral Attacks.**
13 Defendant acknowledges that, by entering the guilty plea required by this plea agreement,
14 Defendant waives all rights to appeal from Defendant's conviction, and any pretrial
15 rulings of the Court, and any rulings of the Court made prior to entry of the judgment of
16 conviction. Defendant further agrees that Defendant waives to the full extent of the law:

17 a. Any right conferred by Title 18, United States Code, Section 3742,
18 to challenge, on direct appeal, the sentence imposed by the Court, including any fine,
19 restitution order, probation or supervised release conditions, or forfeiture order (if
20 applicable); and

21 b. Any right to bring a collateral attack against the conviction and
22 sentence, including any restitution order imposed, except as it may relate to the
23 effectiveness of legal representation.

24 If Defendant breaches this Plea Agreement at any time by appealing or collaterally
25 attacking (except as to effectiveness of legal representation) the conviction or sentence in
26 any way, the United States may prosecute Defendant for any counts, including those with
27 mandatory minimum sentences, that were dismissed or not charged pursuant to this Plea
28 Agreement.

1 15. **Voluntariness of Plea.** Defendant agrees that Defendant has entered into
2 this Plea Agreement freely and voluntarily and that no threats or promises, other than the
3 promises contained in this Plea Agreement, were made to induce Defendant to enter this
4 plea of guilty.

5 16. **Statute of Limitations.** In the event this Agreement is not accepted by the
6 Court for any reason, or Defendant has breached any of the terms of this Plea Agreement,
7 the statute of limitations shall be deemed to have been tolled from the date of the Plea
8 Agreement to: (1) thirty (30) days following the date of non-acceptance of the Plea
9 Agreement by the Court; or (2) thirty (30) days following the date on which a breach of
10 the Plea Agreement by Defendant is discovered by the United States Attorney's Office.

11 17. **Completeness of Agreement.** The United States and Defendant
12 acknowledge that these terms constitute the entire Plea Agreement between the parties,
13 except as may be set forth on the record at the change of plea hearing in this matter. This
14 Agreement binds only the United States Attorney's Office for the Western District of
15 Washington. It does not bind any other United States Attorney's Office or any other
16 office or agency of the United States, or any state or local prosecutor.

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DEFENDANT'S ACCEPTANCE OF TERMS.

1. I, the authorized representative for Northwest Physicians Laboratories, LLC ("NWPL"), the Defendant, affirm this document contains all of the agreements made between NWPL – with the assistance of counsel – and the United States regarding these pleas. There are no other promises, assurances, or agreements the United States has made or entered into with NWPL that have affected the decision to enter any plea of guilty or to enter into this agreement. If there are any additional promises, assurances, or agreements, I and the United States will jointly inform the Court in writing before I enter the guilty pleas on behalf of NWPL.

NWPL understands that no one, including counsel for NWPL, can guarantee the outcome of this case or what sentence the Court may impose if NWPL pleads guilty. If anyone, including NWPL's attorney, has done or said anything other than what is contained in this agreement, I will inform the Court when I stand before it to enter my plea.

I understand the Court will ask me under an oath to answer questions about the offenses to which NWPL is pleading guilty and NWPL's understanding of this plea agreement. I understand that I may be prosecuted if I make false statements or give false answers and may suffer other consequences set forth in this agreement.

On behalf of NWPL, I have read this plea agreement carefully and understand it thoroughly. I know of no reason why the Court should find me incompetent to enter into this agreement on behalf of NWPL or to enter the pleas on behalf of NWPL. I enter into this agreement knowingly and voluntarily. I understand that anything that I discuss with NWPL's attorney is privileged and confidential, and cannot be revealed without NWPL's permission. Knowing this, I agree that this document will be filed with the Court.

NWPL is fully satisfied with the representation given NWPL by the attorneys for NWPL and I am prepared to repeat this statement at the time I stand before the Court and enter NWPL's guilty pleas. NWPL's attorneys and I have discussed all possible defenses

1 to the charges to which NWPL is pleading guilty. NWPL's attorney has investigated
2 NWPL's case and followed up on any information and issues NWPL has raised to
3 NWPL's satisfaction. NWPL's attorneys have taken the time to fully explain the legal
4 and factual issues involved in this case to NWPL's satisfaction. The attorneys and
5 NWPL have discussed the statutes applicable to NWPL's offense and sentence as well as
6 the possible effect the U.S.S.G. may have on NWPL's sentence.

7 Based on NWPL's complete understanding of this plea agreement, NWPL
8 therefore wishes to enter a plea of guilty to Count 1 of the Indictment filed in this case

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10 DATED: 1/12/2021




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12 NORTHWEST PHYSICIANS
13 LABORATORIES LLC, Defendant
14 Jae Y. Lee, CEO
15 Authorized Representative of Defendant
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1 **STATEMENT OF COUNSEL**

2 As counsel for the Defendant, I have discussed all plea offers and the terms of this
 3 plea agreement with the Defendant, have fully explained the charges to which the
 4 Defendant is pleading guilty and the necessary elements, all possible defenses, and the
 5 consequences of a guilty plea to a felony. Based on these discussions, I have no reason to
 6 doubt that the Defendant is knowingly and voluntarily entering into this agreement and
 7 entering a plea of guilty. I know of no reason to question the Defendant's competency to
 8 make these decisions. If, prior to the imposition of sentence, I become aware of any
 9 reason to question the Defendant's competency to enter into this plea agreement or to
 10 enter a plea of guilty, I will immediately inform the Court.

11
 12 DATED: 1/28/2021

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 14 
 15 S. AMANDA MARSHALL
 16 Attorney for Defendant

17 On behalf of the United States, the following accept the Defendant's offer to plead
 18 guilty under the terms of this plea agreement.

19
 20 DATED: 2/5/21

21 
 22 BRIAN D. WERNER
 23 Assistant United States Attorney

24 DATED: 2/5/21

25 
 26 MICHAEL DION
 27 Assistant United States Attorney
 28